

CITY OF SAN JOSE
EXECUTIVE MANAGEMENT AND PROFESSIONAL EMPLOYEES (UNIT 99)
BENEFIT & COMPENSATION SUMMARY
JULY 1, 2012 – JUNE 30, 2013

BILINGUAL PAY

An employee who is required to use a non-English language on a regular basis may be eligible to receive a bi-weekly payment of \$29 for oral translation only or \$40 per pay period for oral/written translation. Employees must be certified as bilingual by the Human Resources Department.

MANAGEMENT PERFORMANCE PROGRAM (MPP)

The Management Performance Program is an annual employee evaluation system that provides eligible employees performance based wage increases.

Each employee who is not already at the top of the salary range may be eligible to receive a performance based increase for the rating period. The MPP also provides that employees may receive up to forty (40) hours of additional executive leave.

Please refer to City Policy Manual (CPM) Section 3.3.2 for additional information.

PROFESSIONAL DEVELOPMENT PROGRAM (PDP)

Each eligible employee may be reimbursed for up to \$1000 per fiscal year (July 1 – June 30) for the purchase of textbooks required for an approved course, college accredited courses, non-college accredited courses, continuing education units, adult education classes, workshops, seminars, travel expenses, memberships in professional associations, professional licenses and professional certificates which are either related to and is beneficial for the work of the employee's current City position or occupation, must satisfy a continuing education requirement of the employee's current City position or occupation or must prepare the employee for advancement/promotion to positions of greater responsibility in the City that is within the employee's current trade or business.

A total of \$300 (of the \$1,000 annual maximum) may be reimbursed for professional materials that include professional books and professional magazine subscriptions, professional books to prepare for certifications or licensing, and other learning materials (learning/training software, videos, etc.) for educational purposes provided that the materials relate to and are beneficial for the work of the employee's current City position or occupation or are required of the employee's current City position or occupation.

Please refer to CPM Section 4.3.2 for additional information and requirements.

*Temporary employees **are not eligible** for this benefit, except employees in the Management Fellow classification.*

PROFESSIONAL MEMBERSHIPS

Each employee is eligible for reimbursement for membership fees or dues paid for the maintenance of a license required to perform employee's job and for dues paid for membership in one (1) additional job-related professional association.

*Temporary employees **are not eligible** for this benefit.*

RETIREMENT

Full-time eligible employees are members of the Federated City Employees' Retirement System. For more information regarding retirement benefits, please refer to the Federated City Employees' Retirement System Handbook, which summarizes the information from the San Jose Municipal Code.

Employees Hired On or Before September 29, 2012:

The Federated Retirement System provides eligible employees with a monthly allowance as well as medical and dental benefits dependent upon years of service. To be eligible to receive a monthly allowance, the employee must have a minimum of five (5) years of service in the Retirement System and be at least fifty-five (55) years of age. The Federated Retirement System provides eligible employees with medical benefits after fifteen (15) years of service and dental benefits after five (5) years of service; however, employees should refer to the Federated Handbook for specific rules and benefits. The monthly retirement allowance is based on the following formula:

$\text{Years of Service} \times 2.5\% \times \text{Final Compensation} = \text{Monthly Retirement Allowance}.$

The maximum retirement benefit a retiree may receive is 75% of their final compensation.

Note: Final Compensation is the highest average monthly salary during 12 consecutive months.

Employees Hired On or After September 30, 2012:

The Federated Retirement System provides eligible employees with a monthly allowance as well as medical and dental benefits dependent upon years of service. To be eligible to receive a monthly allowance, the employee must have a minimum of five (5) years of service in the Retirement System and be at least sixty-five (65) years of age. The Federated Retirement System provides eligible employees with medical benefits after fifteen (15) years of service and dental benefits after five (5) years of service; however, employees should refer to the Federated Handbook for specific rules and benefits. The monthly retirement allowance is based on the following formula:

$\text{Years of Service} \times 2.0\% \times \text{Final Compensation} = \text{Monthly Retirement Allowance}.$

The maximum retirement benefit a retiree may receive is 65% of their final compensation.

Note: Final Compensation is the highest average monthly salary during 36 consecutive months.

For Fiscal Year 2012-2013 the Federated City Employees' Retirement System contribution rates, including pension and healthcare, are 52.36% by the City and 13.00% by employees, totaling 65.36%. These rates reflect the Retirement Board adopted rates based on the June 30, 2011, valuations and do not reflect any adjustments for prefunding or adjustments to reflect the actual payroll to meet the required dollar amount.

In addition, Measure B, approved by the voters on June 5, 2012, will make changes to retirement benefits when put into effect.

This section is just a summary. The entire provisions can be found in the City's Municipal Code and/or City Charter.

*Part-time and temporary employees **are not eligible** for membership in the City's retirement system, but participate in the "PTC" plan in lieu of Social Security wherein the City and the employee each contribute 3.75% of gross income to a defined contribution retirement account.*

RETIREE HEALTHCARE

Employees may be eligible to receive retiree healthcare benefits, in accordance with the San Jose Municipal Code.

Effective June 28, 2009, the City and Unit 99 began transitioning from the current partial pre-funding of retiree healthcare benefits to full pre-funding of the Annual Required Contribution (ARC) over a period of five years. The Federated Plan's initial unfunded retiree healthcare liability shall be fully amortized over a thirty-year period so that it shall be paid by June 30, 2039 (closed amortization).

The cash contribution rate for plan members shall not have an incremental increase of more than 0.75% of pensionable pay in each fiscal year and the City cash contribution rate shall not have an incremental increase of more than 0.75% of pensionable pay in each fiscal year. Notwithstanding the limitations on the incremental increases, by the end of the five year phase-in, the City and plan members shall be contributing the full Annual Required Contribution in the ratio currently provided under Section 3.28.380 (C) (1) and (3) of the San Jose Municipal Code.

DEFERRED COMPENSATION PLAN

To supplement retirement income, employees may put aside a percentage of gross taxable income up to a maximum set by Section 457 of the IRS code and have that money placed in investments on a tax-deferred basis.

Please contact Human Resources, Deferred Compensation Division for the current maximum amount that may be deferred.

Assets under this plan are available only upon retirement, separation from City service, or death. Additional contribution options are available to employees age fifty (50) and older and those within three (3) years of retirement.

HEALTH INSURANCE*

The City pays 85% of the cost of the lowest priced plan for the employee or the employee and dependent coverage and the employee pays 15% of the premium for the lowest priced plan.

If the employee selects a plan other than the lowest priced plan, the employee pays the difference between the total cost of the selected plan and the City's contribution towards the lowest priced plan.

An employee may not be simultaneously covered by City-provided medical benefits as a City employee, and as a dependent of another City employee or retiree.

The following co-pay plan that was implemented for all HMO plans, includes the following co-pays:

- a. Office Visit Co-pay shall be increased to \$25
- b. Prescription Co-pay shall be increased to \$10 for generic and \$25 for brand name
- c. Emergency Room Co-pay shall be increased to \$100
- d. Inpatient/Outpatient procedure Co-pay shall be increased to \$100

Effective December 23, 2012, the City pays eighty-five percent (85%) of the cost of the lowest priced Non-Deductible HMO plan for the employee or the employee and dependent coverage and the employee pays fifteen percent (15%) of the premium for the lowest priced Non-Deductible HMO plan. If the employee selects a plan other than the lowest priced Non-Deductible HMO plan, the employee pays the difference between the total cost of the selected plan and the City's contribution toward the lowest priced Non-Deductible HMO plan.

Effective January 1, 2013, Kaiser 1500 Deductible Plan shall be available to employees, in addition to the existing plan options.

DENTAL INSURANCE*

The City will provide dental insurance for eligible employees and their dependents in accordance with one of the two available plans. Both of these plans are described in detail in the City of San Jose Employee Benefits Handbook and in pamphlets available in the Human Resources Department.

For full-time employees, the City will pay 100% of the lowest priced plan for the employee or the employee and dependent coverage. For any other plan, the City will pay 95% for the employee or the employee and dependent coverage.

An employee may not be simultaneously covered by City-provided dental benefits as a City employee, and as a dependent of another City employee or retiree.

HEALTH AND DENTAL IN LIEU

The purpose of the payment-in-lieu of health and/or dental insurance program is to allow employees who have alternative health and/or dental insurance coverage to drop the City's insurance and receive a payment in lieu.

Employees who qualify for and participate in the payment in-lieu of health and/or dental insurance program will receive the following per pay period:

	Health in-lieu	Dental in-lieu
If eligible for family coverage	\$221.84	\$19.95
If NOT eligible for family coverage	\$89.09	\$19.95

Effective June 24, 2012, a City employee who receives healthcare coverage as a dependent of another City employee or retiree shall be deemed not eligible for family coverage.

An employee may choose, during open enrollment or within thirty days of a qualifying event, to drop health and/or dental coverage and receive a payment-in-lieu. To qualify, the employee must prove acceptable alternate group coverage and work 35+ hours/week.

FLEXIBLE SPENDING ACCOUNTS - MEDICAL/DEPENDENT CARE

The City participates in Dependent Care Assistance and Medical Reimbursement Programs. Under these programs, employees may put aside up to \$5000 in pre-tax income to pay for eligible dependent care and may set aside up to \$2500 in pre-tax income for eligible medical care.

LIFE INSURANCE

The City shall pay the full premium for employee coverage equal to two (2) times the employee's annual salary. Additional employee coverage equal to two (2) times the employee's annual salary, up to \$750,000 of total coverage, is available at employee cost. Dependent coverage is also available at employee cost. Coverage from \$2,000 up to \$10,000 for spouse and/or dependent children is available at employee cost.

*Part-time and temporary employees **are not eligible** for this benefit.*

OPTIONAL BENEFITS

Optional benefits are available for employee, spouse/domestic partner** and children at employee expense. These optional benefits currently include but are not limited to:

- Vision Insurance
- Personal Accident Insurance
- Long Term Care Insurance

Please contact Human Resources for more information.

LONG-TERM DISABILITY

Employees have the option to purchase long-term disability insurance which will subsidize their income in the event of a non-work related injury or illness. The City does not participate in the State Disability Insurance plan. Therefore, if an employee suffers a non-work related injury or illness and is unable to work, the employee would not receive any City compensation.

The City offers employees a choice of two long-term disability plans, one with a 30-day waiting period and another with a 60-day waiting period. Employees must use accrued leave balances to receive compensation during the waiting period when using the long-term disability benefit.

*Temporary employees **are not eligible** to purchase long-term disability insurance.*

EMPLOYEE ASSISTANCE PROGRAM

The City recognizes that professional counseling is an important benefit to assist employees in resolving personal and family issues which may otherwise affect the employee's job performance and well being. Through the Employee Assistance Program (EAP), licensed counselors are available to help employees resolve issues and identify strategies for coping with difficult situations.

The City will provide up to five (5) counseling sessions per incident per fiscal year at no cost to the employee.

*Part-time unbenefited and temporary employees **are not eligible** for this benefit.*

SUBSTANCE ABUSE PROGRAM

It is the policy of the City to maintain a safe, healthful and productive work environment for all employees. The City will act to eliminate any substance abuse which increases the potential for accidents, absenteeism, substandard performance, poor employee morale or tends to undermine public confidence in the City's workforce.

The Substance Abuse Policy prohibits employees from reporting to work under the influence of alcohol or drugs, exhibiting symptoms of alcohol or drug use, using, possessing, selling or providing drugs or alcohol while on duty, and employees shall not have the ability to work or be on paid standby when impaired as a result of the use of alcohol or drugs. Additionally, employees are required to notify their supervisor when any medication or drug they are taking could create an unsafe and dangerous situation. Employees may be requested to submit to a drug and/or alcohol analysis when there is reasonable suspicion that an employee is intoxicated or under the influence of drugs or alcohol.

The City offers self-referral and rehabilitation/treatment options for employees that may be experiencing a problem with alcohol and/or drug use. The City pays 70% of a first occurrence rehabilitation program and the employee pays 30% as approved by the Employee Assistance Program (EAP).

Please refer to CPM Section 1.4.2 for the complete policy.

*The Substance Abuse Policy applies to all employees; however, part-time and temporary employees **are not eligible** for the Employee Assistance Program benefit.*

HOLIDAYS*

Full-time employees receive fourteen (14) paid holidays which include:

New Years Day	Columbus Day
Martin Luther King Day	Veterans Day
Presidents' Day	Thanksgiving Day
Cesar Chavez Day	Day After Thanksgiving
Memorial Day	Christmas Eve Day
Independence Day	Christmas Day
Labor Day	New Years Eve Day

VACATION

Vacation accrues at the following rates for each paid hour (either worked or paid absence):

Years of Service	Annual Hourly Accrual (Full Time)
1 – 5	120 hours
6 – 14	160 hours
15+	200 hours

Employees may only accrue vacation up to a maximum of two (2) times their annual accrual rate. Once an employee reaches their maximum accrued vacation limit, the employee will not accrue vacation until their vacation balance falls below the maximum limit.

Years of Service	Maximum Accrued Vacation
1 – 5	240 hours
6 – 14	320 hours
15+	400 hours

VACATION SELLBACK

Effective December 25, 2011, employees may elect to sell back vacation in for a maximum sell back of sixty (60) hours of accrued vacation in calendar year 2012. Employees must submit an irrevocable election form to Payroll on or before November 26, 2011, to be eligible to sell back accrued vacation in 2012.

Effective December 23, 2012 (the first pay period of payroll calendar year 2013), the vacation sellback program will be eliminated and no employees will be eligible to sell back any accrued vacation hours.

EXECUTIVE LEAVE*

Executive leave is a benefit awarded as hours/days off, up to a maximum of forty (40) hours/ five (5) days during a payroll calendar year. Executive leave is not an accrued benefit and unused leave does not carry over from year to year.

The Management Performance Program (MPP) provides that employees may receive up to forty (40) hours of additional executive leave.

When an employee is hired into a position eligible for executive leave, the leave may be prorated during the first year dependent upon the hire date.

Please refer to CPM Sections 4.2.4 and 3.3.2 for complete policy guidelines.

SICK LEAVE

Paid sick leave accrues at a rate of .04616 for each paid hour (either worked or paid absence). For a full-time employee, this equals approximately one (1) day per month. Accrued sick leave may be used for the care related to the illness or injury of employee's child, mother, father, spouse, or domestic partner**.

Up to a total of forty-eight (48) hours of accrued sick leave per calendar year may be utilized if the employee is required to be absent for the care related to the illness or injury of the employee's grandchild, brother, sister, father-in-law, mother-in-law, step-father, step-mother, or step-child.

SICK LEAVE PAYOUT

Members of the Federated Retirement System who retire with at least fifteen (15) years of service are eligible to receive, upon retirement, payout for a portion of their unused earned sick leave at the rate of:

Accrued Sick Leave Hours

0 – 399 Hours
400 – 799 Hours
800 – 1,200 Hours

Sick Leave Payout

50% of final hourly rate
60% of final hourly rate
75% of final hourly rate

If an employee's balance is greater than 1,200 hours, the employee is also eligible for a payout of 75% of the value of sick leave in excess of 1,200 hours that is earned but unused during the two (2) years prior to retirement.

Employees hired on or after September 30, 2012, shall not be eligible for any sick leave payout.

*Part-time and temporary employees **are not eligible** for this benefit.*

MILITARY LEAVE

Persons employed by the City engaging in active military duty for training or other purposes may be provided paid military leave for up to thirty (30) calendar days per fiscal year. In addition, under certain circumstances the City may provide Supplemental Salary and benefits for eligible employees. Please refer to CPM Section 4.2.2 for additional information.

DISABILITY LEAVE

If required to be absent from work due to a work related illness or injury, employees may receive a disability leave supplement which, when added to the Workers' Compensation Temporary Disability, equals 85% of the employees' base salary. Effective June 24, 2012, disability leave supplement has been eliminated. Employees will be allowed to integrate accrued vacation and accrued sick leave once vacation has been exhausted.

MODIFIED DUTY

Employees shall be voluntarily separated from City service if the City offers the employee temporary modified duty at identical or similar rate of pay, within the employee's medical limitations, and the employee refuses or fails to accept duty for which he or she is physically qualified. Any such separations will comply with applicable laws.

LEAVES OF ABSENCE

Unpaid leaves of absence may be granted for up to twelve (12) months, with possible extension of up to six (6) months. (Employees on unpaid leave may continue their insurance benefits by paying full premiums.) Please refer to CPM Section 4.2.1 for program details.

BEREAVEMENT LEAVE

Each full-time or benefited part-time employee shall be granted bereavement leave with full pay for up to forty (40) hours to attend to the customary obligations arising from the death of any of the following relatives of such employee or employee's spouse or employee's domestic partner.**

All leave must be used within fourteen (14) calendar days following the death of an eligible person. Under extreme circumstances, the fourteen (14) day requirement may be waived by the Director of Employee Relations. The decision of the Director of Employee Relations shall be final with no process for further appeal.

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| • Parent/Step parent | • Grandparent/Step-grandparent |
| • Spouse/Domestic partner** | • Grandchild |
| • Child/Step child | • Great grandparent |
| • Brother/Sister | • Son/daughter in-law |
| • Step Brother/Step Sister | • Brother/sister in-law |
| • Half Brother/Half Sister | |

TIME DONATION PROGRAMS

The City has Time Donation Programs, which allow employees to donate accrued vacation to fellow employees under special circumstances. An employee must meet the criteria established under the Time Donation Policy to receive time donations. Please refer to CPM Section 4.2.10 for additional information.

SPECIAL PREMIUM PAYS

At the City Manager's discretion, special premium pays may be given to those employees in the classifications of Police Chief, Assistant Police Chief, Fire Chief, Assistant Fire Chief and/or Deputy Fire Chief. The City Manager may tender special premium pays either as separate special pays or roll them into the base pay for employees in these classifications.

The following chart represents the premium and special pays the City Manager has discretion to provide and the pays with which the City Manager has the discretion to roll into base pay for the classifications of Police Chief, Assistant Police Chief, Fire Chief, Assistant Fire Chief and/or Deputy Fire Chief.

Classification	Special Pay	Current Amount
Police Chief	POST Pay- Advanced	7.50% per pay period
	Uniform Allowance	\$675.00 per year
	Holiday In Lieu	5.623% per pay period
Assistant Police Chief	Anti-Terrorism Training Pay	5.00% per pay period
	POST Pay- Advanced	7.50% per pay period
	Uniform Allowance	\$675.00 per year
	Holiday In Lieu	5.623% per pay period
Fire Chief	Holiday In Lieu	5.623% per pay period
	Uniform Allowance	\$495.00 per year
	EMT Pay	3.00% of Top Step Firefighter
Assistant Fire Chief	Holiday In Lieu	5.623% per pay period
	Uniform Allowance	\$495.00 per year
	EMT Pay	3.00% of Top Step Firefighter
Deputy Fire Chief	Education and Training Pay	\$35.00 per pay period
	Uniform Allowance	\$495.00 per year
	Holiday In Lieu	5.623% per pay period
	EMT Pay	3.00% of Top Step Firefighter

* Reimbursement/contribution is prorated for part-time employees based on hours scheduled:

- 30 – 39 hours = 75%
- 25 – 29 hours = 62.5%
- 20 – 24 hours = 50%
- Less than 20 hours = none

** A domestic partner, as referenced in sections above, must be the domestic partner registered with the Human Resources Department.